Bear Creek Research, Inc.
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The words I wrote to Sen. Mitch McConnell, Majority Leader, United States Senate, applies equally to the Atlanta "city-state" government.

What the Indians refer to as "equal for all Native Americans" or, Kee Google Daw, applies equally to the various minority and majority factions, Interests and competing industries looking to entertain contracts and business ventures with the city.

There exists a surplus of innovative small companies, personnel and services unable to compete with allied interests or outside "cartels" that serve only to hamstring the infrastructure and growth of Atlanta.

Toss the new "good ol' boy"networks.
These factions are strangling competition and stagnating future potential for the city and the state of Georgia.

How? Simple, construct an unimpeachable set of transparent bookkeeping rules … corporate ownership and publicly available transaction reports … work contracts and bids.
"Know ye by all men, Georgia is First, open to Innovation, Secondly, Cost Savings, and not finally, Native Small and local Business Owner/Development." This is a start.

Don Hall/Bear Creek Research, Inc.

Economic Non-Sense (c) BCR 2005

We are in International Trading Trouble - developed nations cannot increase their social safety net by enforcing their laws unless all other nations do so!

Forget the UN, IMF, and the World Bank or ITO, they were long ago relegated to the Cold War and international lobbies.

We best be developing trade tactics and vertically integrated education/business innovations/small business/ manufacturing growth paths.

We ought not let history repeat the automotive lesson taught to us by Honda and Toyota in the early 1980's. The Asian "Tigers" are Loose thanks in part to Deeming and IBM.

Where we, the USA, fail first is in developing Natural Resources, fail to develop markets and fail to support home grown business ventures.

The USA fails miserably in developing trade cartels and tactics to benefit high order, small business growth and tactics. Proof? Hello Off-shore engineering firms and manufacturing. Proof?
Trade imbalance approaching trillions of dollars. Proof? Research, Development, Education, and Health pignosed into oblivion through Pharmaceutical and Health cartels.

John Kenneth Galbraith once remarked that "the role of government, when one contemplates reform is a dual one. The government is a major part of the problem; it is also central to the remedy" [J.K. Galbraith 1973]. In other words, government intervention cannot be thought of as always good or always bad.

Lester C. Thurow argues that the comparative advantage theory was in, a sense, acceptable when natural resources, climate and geographic location played an important role in the economy
No country is really following the strict free trade ideology. Countries use "industrial strategies and trade tactics." They

choose to focus on high-value industries and skill-intensive jobs, which makes it hard for poor countries to take these jobs away from them. They focus on areas where they can have branded products so they can prevent the technology from leaving. They try to pursue high-productivity growth paths, and they choose products with high-income elasticity of demand.

The institutional/Keynesian approach to international trade tactics shows that the comparative advantage theory is not consistent with the current economic reality.

<u>The evidence shows that comparative advantage is human made rather than natural.</u>

Institutionalists argue that there is no such thing as free trade. Countries use industrial strategies and trade tactics in order to create human made comparative advantage, which will guarantee their success in the global economy [Thurow 1996, 219].

Whether Oil or Textiles, the new trade economy is nothing like the old trading days -Technology is at a premium, Ricardian, Hechsher-Olin-Samuelson (HOS) model do not factor in the possibility of off-shore production, international access to commodities and natural resources, or direct government interventions.

MY REPLY TO YOUR REPLY …

Dear Senator McConnell,

I am in receipt of your response to my comparison of US trade imbalance with regard to Kenesian, Thurow-Institutionalists, and Ricardian HOS models with your very optimistic Kentucky viewpoint.

Did you really write this? I do not believe that you personally wrote the response, in fact, I would bet heavily against it.

Why? Because it was a typical political response to a very
Pointed concern regarding NATURAL RESOURCES and the GLOBAL ECONOMY.

I received a daisy Kentucky jobs outlook. A subordinate clearly wrote your response.

Citing Employment Numbers and Job Creation Efforts lack the same statistic I would assign to any number created by that famous mathematic liar – THE AVERAGE, would you care for a Mean or Modal or Median average today sir, or madam?

We were Rome, now, we being the smart ones, bring in boatloads of refugee labor for our secret textile industries, our farms and our electronics, and they being dumb as they are, politely do our dirty work, while their mother land soaks us for import imbalances. We are doomed from within … where have we heard this before?
Now for the Daisy Report … Our concerns back to 1994 NAFTA and support for the WTO 1995 and do not stop at the 2000 (fairly reliable and well proven) examples.

Kentucky may participate, create or otherwise enjoy
Foreign job labor interests, however, going back to
Year 2000, the tradeoff is Unacceptable Accounting.

Kentucky has gained some jobs, approximately 96,000
(depending on the accuracy, job description – part time, consulting, or temporary), yet, has steadily lost
51,000 more than gained.
The US import deficit?
Almost 439 BILLION DOLLAR DEFICIT.

See Year 2000 U S Census Bureau of Labor Statistics.

Equal opportunity failed the USA upon adopting NAFTA and supporting the World Trade Organization.

All 50 states and the District of Columbia have experienced a net loss of jobs since the implementation of NAFTA in 1994 and the creation of the WTO in 1995. Between 1994 and 2000, the U.S. lost more than 3 million jobs and job opportunities—equal to 2.3% of the labor force Exports rose over the period, but imports rose faster, yielding net job loss figures ranging from a low of 6,000 in North Dakota to a high of 310,000 in California. Other hard-hit states—over 100,000 jobs lost in each—include Texas, New York, Michigan, Pennsylvania, Illinois, Ohio, North Carolina, Indiana, and Florida.

These states have high concentrations of the kinds of industries (motor vehicles, textiles and apparel, computers and electrical appliances) where production has shifted most rapidly to export-processing zones in China, Mexico, and other countries since NAFTA and the WTO took effect.

The figures I am referring include the following aged reference methodology:

Methodology

This analysis of the employment effects of U.S. trade policies under NAFTA and the WTO takes into account both actual job losses and potential jobs, or job opportunities, lost as a result of increasing U.S. trade deficits. Job losses in 2000 are estimates of the difference between predicted trade-related employment (if the trade deficit had remained constant between 1994 and 2000) and estimated employment in 2000 based on actual trade flows. This estimate measures the number of additional jobs and job opportunities that would have been available, above actual employment in 2000. Since U.S. unemployment was at low levels in 2000, a smaller deficit with the NAFTA countries would probably shift jobs from low-wage service industries to traded-goods sectors (such as manufacturing), where wages are higher. We use 1994 as the base year because NAFTA went into effect on January 1, 1994, the WTO on January 1, 1995. This analysis evaluated the impacts of changes in the trade balance on domestic employment.

Endnotes

1. The total number of jobs and job opportunities is a measure of what employment in trade-related industries would have been if the U.S. trade balance had remained constant (and holding everything else in the economy constant) between 1994 and 2000. Maintaining a constant trade balance while growing rapidly, as the U.S. did between 1994 and 2000, would have required that imports grow more slowly than they did and/or that exports grow faster. If the U.S. economy had grown at exactly the same rate under this condition as it did between 1994 and 2000, then more jobs would have been created in import-competing and exporting industries.